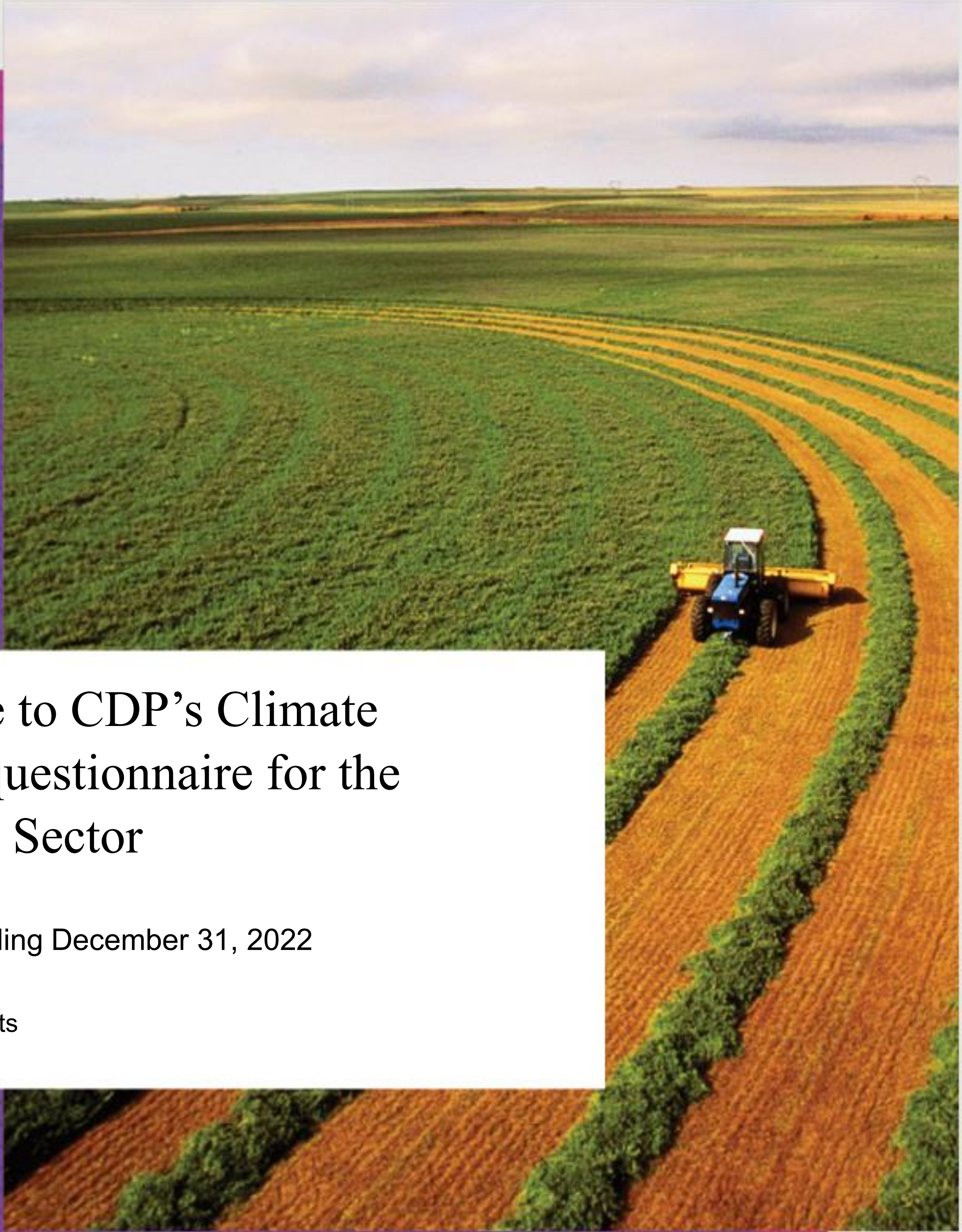

Response to CDP’s Climate Change questionnaire for the Financial Sector

For period ending December 31, 2022

WTW Investments

wtwco.com

Response to CDP's Climate Change questionnaire for the Financial Sector – period ending December 31, 2022

This is a response to CDP's Climate Change questionnaire for the Financial Sector in respect of WTW's delegated Investments business and as such only includes assets in funds managed or controlled by WTW. All answers given relate solely to the Investments business and should not be construed to apply to WTW as a whole.

1	*Do you assess your portfolio's exposure to climate-related risks and opportunities?*	Yes. See question 2.
2	*Describe how you assess your portfolio's exposure to climate-related risks and opportunities*	We have developed a 'Climate Dashboard', that displays a multi-dimensional set of climate data and metrics. The dashboard metrics include carbon footprint, alignment, climate solutions, transition risks and physical risks. Our approach to assessing exposure to climate-related risks and opportunities follows a balanced scorecard approach, using a combination of dashboard metrics to identify areas of risk (e.g., misalignment combined with transition risk) or opportunity (e.g., positive alignment combined with climate solutions). We define alignment in line with the IIGCC's Paris Aligned Investment Initiative (PAII) criteria. Included within the dashboard is WTW's proprietary Climate Transition Value at Risk (CTVaR) methodology which quantifies climate transition risk by integrating forward-looking company assessments with traditional risk and return models. CTVaR analyzes the impact on projected company cashflows of moving from a 'business as usual' scenario – reflecting current policies – to a world where emissions pathways are fully aligned to the goals of the Paris Agreement. This is based on an assessment of the plausible/likely changes to policy, regulation, technologies and consumer preferences that could occur in a transition to a low carbon world. This is translated into a % impact relative to current asset prices by taking the net present value (NPV) of the change in future company cashflows.
3	*Indicate the climate-related information your organization considers about clients/investees as part of your due diligence and/or risk*	We aim to integrate climate into key steps of the investment process. Key elements include: • Asset research: Climate risk scenario analysis is integrated within our asset allocation frameworks and capital market forecasts.

	assessment process, and how this influences decision making	• Manager research: Climate risk is one of three main areas that drive our asset manager engagement, as well as climate being a key element integrated into our manager assessments and ongoing due diligence. • Portfolio management: Climate is a focus of our portfolio construction process including understanding and managing our risk exposures, as well as identifying and investing effectively in opportunities. We also incorporate relevant requirements for portfolio investments, recognizing current and evolving regulations, guidance and standards, such as TCFD and EU SFDR.
4	*Does your organization's strategy include a transition plan that aligns with a 1.5°C world?*	WTW, as a whole, has made a net zero pledge. The WTW Investment business has made a net zero pledge in respect of 100% of delegated assets and has developed interim targets, a framework for assessing the alignment of our portfolios with net zero pathways and a series of climate action plans that set out the actions we intend to take over the near term in order to progress towards our interim targets. The underlying science-based net zero pathway from which our delegated portfolio net zero target is derived references the pathways set out in the IPCC Special Report on 1.5°C.
5	*In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's transition to a 1.5°C world?*	No - we identify the proportion of our delegated client invested assets that are aligned with transition pathway previously described (see question 36) but not the proportion of our operational spending or revenue that is aligned.
6	*Quantify the percentage share of your spending/revenue that is aligned with your organization's climate transition.*	N/A. See question 5.
7	*Does the policy framework for your portfolio activities include climate-related requirements for clients/investees, and/or exclusion policies?*	Yes. See question 8.
8	*Provide details of the policies which include climate-related requirements that*	Please see our Sustainable Investing Policy on this webpage. Our Climate Policy is available on request. Please note these policies may be subject to change, e.g., possible changes to our strategy or regulatory changes impacting these policies.

	clients/investees need to meet.	We believe in the importance of: • a combination of decarbonizing existing investments and new investments in long-term climate solutions. • using multiple 'levers' including changes to asset allocation, manager selection, exclusions and index design. • the critical importance of effective stewardship and industry and policy level engagement.
9	*Provide details of your exclusion policies related to industries and/or activities exposed or contributing to climate-related risks.*	Our exclusion approach necessarily differs by vehicle type and jurisdiction given the practicalities involved. Please refer to our Sustainable Investment Policy for more details. For pooled or comingled investments, we are typically not in a position to dictate the particular exclusions employed although we will look to influence the external asset manager. For separate account vehicles, we have more control and so certain climate-related exclusions may be applied. For example, in order to manage financial risks related to climate, our Irish domiciled Global Equity Focus Fund has the following climate-related exclusions in place such that the Fund will seek to avoid investment in companies that derive a proportion of revenue, based on certain thresholds, from: • thermal coal mining or sale to third parties • thermal coal power generation • oil/tar sands extraction
10	*Does your organization include climate-related requirements in your selection process and engagement with external asset managers?*	Yes. See question 11.
11	*Provide details of the climate related requirements included in your selection process and engagement with external asset managers.*	Our Net Zero (NZ) framework aims to mobilize managers in regard to their performance on climate mitigation, adaptation and contribution to the low-carbon and climate resilient transition. Meeting this objective over the long term relies on selecting managers who we believe are able to competently manage climate-related risks through the security selection process as well as through undertaking appropriate stewardship in relation to climate risk. For example, being able to engage credibly with issuers to influence their plan to evolve their activities over time to reduce emissions. The manager selection and engagement process must permit the inclusion of a wide range of strategies to ensure that the portfolio retains all other vital characteristics. The application of the NZ framework is therefore aimed to reach all types of strategies. The point is not to only focus on strategies that are performing well according to the 'Climate Dashboard' but to consider competent

		managers and strategies that may be somewhat challenged in terms of their climate performance and support them on their journey to improve. For strategies where we feel improvement is required, an engagement strategy is put in place to support the manager to act in predetermined areas for improvement. This might, for example, relate to emissions, alignment and climate solutions, or an improvement in their climate change risk management (physical or transition).
12	*Did you have an emissions target that was active in the reporting year?*	Yes. See question 13.
13	*Provide details of your absolute emissions target(s) and progress made against those targets.*	The progression of the total absolute emissions attributable to our global assets under management is set out below: Absolute Emissions December 31, 2019: 8,627 ktCO2e (reference baseline) December 31, 2021: 9,306 ktCO2e December 31, 2022: 9,705 ktCO2e These numbers have been produced by calculating the scope 1 and 2 carbon emissions of the model portfolios which are representative of the solutions within our overall global delegated business, and then pro-rating these to get a total global figure using the US dollar allocations to the various regions and solution types within our global asset base. They exclude exposures to sovereign debt and liability driven investments. See 'Metric calculation methodology and data sources' section below for more details. We work with MSCI ESG research who are a key source for the ESG data used for these sustainability indicators. We may also rely on external third-party asset managers or other third-party service providers for data. In 2019, our emissions were 8,627 ktCO2e for the baseline year. Emissions increased to 9,306 ktCO2e in 2021 and further to 9,705 ktCO2e in 2022. The increase in emissions is in part due to overall net inflows over the period from 2019 to 2022 while also making progress to reduce emissions per dollar invested as can be seen from the reduction in emissions intensity shown in our response to question 14. It should be noted that we do not expect portfolio emissions to reduce at a constant annual rate, because there will be times where it may not be financially advantageous to do so. Our emissions targets are made in the expectation that governments will follow through on their own commitments to ensure the objectives of the Paris Agreement are met, including increasing the ambition of their 'Nationally Determined Contributions', and in the context of our

		legal duties to clients and unless otherwise prohibited or required by applicable law. The activities that we have undertaken to move portfolio emissions towards a pathway consistent with our stated targets are set out in our response to question 35.
14	*Provide details of your emissions intensity target(s) and progress made against those target(s).*	The progression of the emissions intensity of our portfolios is set out below: Emissions Intensity December 31, 2019: 89 tCO2/$m invested (reference baseline) December 31, 2021: 72 tCO2/$m invested December 31, 2022: 84 tCO2/$m invested These numbers have been produced by calculating the scope 1 and 2 carbon emissions of the model portfolios which are representative of the solutions within our overall global delegated business, and then pro-rating these to get a total global figure using the US dollar allocations to the various regions and solution types within our global asset base. They exclude exposures to sovereign debt and liability driven investments. See 'Metric calculation methodology and data sources' section below for more details. We work with MSCI ESG research who are a key source for the ESG data used for these sustainability indicators. We may also rely on the external asset managers or other third-party service providers for data. Our emissions intensity has shown improvement since 2019, dropping from 89 tCO2/$m in 2019 to 72 tCO2/$m in 2021 but increasing to 84 tCO2/$m in 2022. Although our emissions intensity has decreased on average since 2019, it's important to consider this trend in the context of increasing asset prices on average over the period, which have been supportive of reductions in emissions intensity. The uptick in emissions intensity during 2022 can mostly be attributed to the decline in asset prices resulting from the widespread market sell-off during this shorter latter period. The activities that we have undertaken to move portfolio emissions towards a pathway consistent with our stated targets are set out in our response to question 35.
15	*Provide details of the climate related targets for your portfolio.*	We are targeting net zero carbon emissions by 2050, with a 50% reduction by 2030, in our fully discretionary delegated investment portfolios. We are also targeting to double our allocation to climate solutions (compared to an end 2019 reference baseline) by 2030.
16	*Provide details of your NetZero target(s)?*	See question 15

17	*What methods do you use to drive investment in emissions reduction activities?*	We regularly look to identify strategies which benefit from sustainability tailwinds and climate opportunities in particular and we invest in areas such as renewable energy, forestry, sustainable agriculture, electrification and electric vehicle infrastructure. As of December 31, 2022, the approximate amount of client assets deployed to climate solution strategies is US$11.5 billion, which is around 7% of global assets under management. As mentioned above, as part of our net zero pledge we target to double exposure to climate solutions (compared to an end 2019 reference baseline) by 2030. Exposure to climate solutions was stated as 4.8% of assets in 2019. These numbers have been produced by calculating the climate solutions for model portfolios which are representative of the solutions within our overall global delegated business, and then pro-rating these to get a total global figure using the US dollar allocations to the various regions and solution types within our global asset base. They exclude exposures to sovereign debt and liability driven investments. See 'Metric calculation methodology and data sources' section below for more details. We believe that the need to decarbonize the entire economy creates a generational investment opportunity. While we are of the view that there are highly attractive long-term opportunities, the climate transition and climate solutions space is riddled with challenges that investors need to skilfully navigate. As a nascent space, there is no shortage of newly formed managers with limited track records and untested investment strategies. As such, we follow a highly selective process in researching and conducting diligence on climate solutions managers. Another method used to encourage emission reduction activities is via stewardship with higher emitting issuers by external asset managers. We seek expertise from external asset managers in this area – for example being able to identify issuers which are not aligned to the Paris Agreement and then being able to engage credibly with those issuers to influence their plan to evolve their activities over time to reduce emissions.
18	*Do any of your existing products and services enable clients to mitigate and/or adapt to the effects of climate change?*	Yes, our EU SFDR Article 8 Funds promote environmental characteristics, under our net zero commitment. Please also refer to our response to question 19 and question 22.
19	*Provide details of your existing products and services that enable clients to mitigate and/or adapt to climate change, including any*	Our EU SFDR Article 8 Funds have climate related objectives and are detailed on this webpage. In addition to the funds noted above WTW, helped create the Climate Transition Index (CTI) – a family of indices – in partnership with STOXX, an index provider. The CTI uses the CTVaR methodology explained earlier in our response.

	taxonomy used to classify the product(s).	
20	*Has your organization cancelled any project-based carbon credits within the reporting period?*	No.
21	*Provide details of the project based carbon credits cancelled by your organization in the reporting year.*	N/A.
22	*Give details of your climate related engagement strategy with your clients.*	All delegated client portfolios are run by a dedicated client portfolio management team who engage with the client on climate and answer any questions around climate that the client may have. Climate risk management is integrated into our overarching investment process – we believe it is a financial risk that should be managed. Within this context, we provide a range of investment solutions to suit individual asset owner goals and context. We offer support to asset owners around climate at multiple levels including but not limited to: • identifying key systemic financial risks, in particular, climate • TCFD reporting • scenario analysis • analysis to support oversight of climate risk management and stewardship activities by external asset managers.
23	*Give details of your climate related engagement strategy with your investees*	Climate change is a particular focus for us when assessing managers, analyzing both climate integration and climate stewardship as tailored to the strategy or asset class in question. Consistent with our net zero commitment, our main topic of engagement with external asset managers during 2022 was around climate risk management. External asset managers have a responsibility to undertake engagement with underlying issuers. We seek expertise and resources from external asset managers in this area – for example being able to identify issuers which are not aligned to the Paris Agreement and then being able to engage credibly with those issuers on their plans to evolve activities over time to reduce emissions. Therefore, it is important that the external asset managers that we work with are able to competently assess and manage climate risk. We look to external asset managers to evidence and track, via quality reporting, underlying climate engagement with issuers. For many of our delegated solutions, we also employ the services of EOS at Federated Hermes (EOS) to provide additional engagement with underlying issuers.

24	*Give details of your climate related engagement strategy with other partners in the value chain.*	In addition to engagement with external asset managers and underlying issuers, we also engage with wider industry groups to support wider system transition on climate. Examples from 2022 include: *Thinking Ahead Institute* The Thinking Ahead Institute (TAI) is a global not-for-profit innovation and research membership organization set up by WTW in 2015. Together with members it produces intellectual capital and practical tools that promote better investment strategies, better organizational effectiveness and improved societal legitimacy. Its mission is to achieve systemic change across the investment industry, so that the provision of new capital and the stewardship of existing capital adds long-term value to the end saver. The Institute's research agenda is driven by its members, and it publishes research papers, releases podcasts, and runs events to circulate knowledge and drive learning in the investment industry. It organizes research working groups, seminars and industry projects. Furthermore, it works with members to take action through strategic member engagement sessions, workshops and projects using proprietary tools. In 2022, TAI published the Pay now or pay later paper – a clear and thoughtful argument on the logic of addressing the climate challenge now. In 2022, the Principles for Responsible Investment (PRI) selected the TAI in a project to research and assess the appropriate level of resources that institutional investors should be prepared to dedicate to stewardship within their organization. *EOS at Federated Hermes (EOS)* We have engaged EOS as an expert stewardship overlay service who supplements and adds to the stewardship work performed by the external asset managers we work with. In addition to the bottom-up company engagement, EOS undertake market-wide engagement and advocacy. An example from 2022 is related to biodiversity, which we view as intrinsically linked to climate. EOS attended the Montreal COP 15 international negotiations in 2022. A senior EOS engager inputted to the drafting of the goals, advocating an ambitious Global Biodiversity Framework which was ultimately agreed between countries in December 2022. We maintain a high level of engagement with EOS. Our Head of Sustainable Investment is chair of EOS's Client Advisory Board and members of our teams regularly attend the EOS bi-annual Client Advisory Council events. *Investment Consultants Sustainability Working Group (ICSWG)* WTW co-founded the ICSWG in 2020 and membership of this initiative has grown to nearly 20 organizations in both the UK and US groups. Both groups have established links with regulatory and oversight bodies, as well as the asset management and asset owner

		communities. WTW has representation in the UK and US ICSWG's Steering Committees and in the UK Raise the Bar workstream. During 2022, we contributed to guides, consultation responses and engagements through ICSWG, which included: • leading the update of the ISCWG Engagement Reporting Guide, which we were involved in creating in 2021. • submissions by ICSWG-US to the US Department of Labor on 'Possible Agency Actions to Protect Life Savings and Pensions from Threats of Climate-Related Financial Risk' and to the Securities and Exchange Commission related to 'The Enhancement and Standardization of Climate-Related Disclosures for Investors'. • ICSWG-US support for the ESG Data Convergence Initiative (EDCI) that was launched jointly by asset owners and managers to provide comparable, decision-useful ESG metrics for private equity. • ICSWG-UK response to consultations on The Taskforce for Nature-related Financial Disclosure (TNFD); International Sustainability Standards Board (ISSB); and UK Department of Work and Pensions (DWP) Climate and Investment Reporting. *Principles for Responsible Investment (PRI)* We are a signatory to the PRI, and further information as well as our most recent Transparency Report can be found at www.unpri.org (note that PRI has paused service provider reporting until further notice, to focus its time and resources on updating the service provider Reporting Framework). Our Head of Sustainable Investment serves as a member of the PRI Stewardship Advisory Committee. In 2022, we contributed to focus group discussions around the PRI's future strategy and mission. We were also involved in numerous other parts of the PRI including: • inputting to the drafting of PRI papers: transition plan voting and guidance. • responding to a PRI Private Equity survey. • providing suggestions to PRI of how to assess ESG risk management competency. *Institutional Investors Group on Climate Change (IIGCC)* We are members of this organisation with a mission to mobilize capital for the low carbon transition and are active participants of the IIGCC, as well as its sister initiatives in Asia (AIGCC) and Australasia (IGCC). We continue to contribute to the IIGCC's Paris Aligned Investment Initiative, including as part of the Strategic Asset Allocation working group. We continue to engage with the IIGCC Net Zero Investment Framework, including promoting the framework within the industry and with our clients, and using it to base our own net zero reporting

		on. In 2022, we presented to other IGCC members at an IGCC masterclass on our application of the Investor Climate Action Plan (ICAPS) framework. In 2022, we were also members of the working group for net zero stewardship. As part of this we provided significant input to those drafting the IIGCC's Net Zero Stewardship Toolkit. A number of our suggestions were incorporated in this guide which was published in 2022. Alongside this we also responded to an IIGCC paper, Incorporating Derivatives & Hedge Funds into the Net Zero Investment Framework. *Glasgow Financial Alliance for Net Zero (GFANZ)* We actively contribute to several GFANZ workstreams. In 2022, we: • participated in the portfolio alignment workstream which focused on driving enhancement, convergence and adoption of portfolio alignment metrics across financial institutions. • participated in the financial institutions workstream which was focused on developing guidance for financial institutions around using sectoral pathways for transition planning and implementation. • seconded a colleague from our Climate Practice to GFANZ as the workstream lead for the sectoral pathways and real economy workstreams. *WTW Research Network* WTW Research Network was founded by WTW and is a well-established, not-for-profit, award-winning collaboration between science and the insurance, finance and risk management sector, going back to 2006. Long-term partnerships with more than 60 research organizations across the world help the Network confront the full spectrum of risks facing our societies. WTW Research Network had a productive year in scientific collaboration, real-world application and impact across its research themes and geographies throughout 2022. Activities and outcomes are documented in their annual review, which can be found online. A good example of the applied nature of their research is their focus on key industry sectors. Their collaboration with University College London around the project "Towards Zero Carbon Aviation" seeks to provide science-based insights into the most cost-effective and realistic transition towards a net zero-carbon aviation system by 2050 through changes in technology, fuels, operations and changes in consumer behaviour. It also brings together key stakeholders (aerospace industry, policy makers, insurance and investments) needed to be involved to make this transition possible. *Coalition for Climate-Resilient Investment (CCRI)* WTW launched the Coalition for Climate Resilient Investment (CCRI) at the UN Climate Action Summit in 2019 in partnership with the World Economic Forum and the governments of the UK and Jamaica.

		It had over 120 members across 21 countries representing over $20 trillion of assets (as of February 2022). CCRI aims to create a more resilient global financial industry in which key incentive structures foster an accurate pricing of physical climate risks in investment decision-making, resulting in more resilient economies and communities across the world. *WTW's Climate Practice* WTW Investments benefits from WTW's in-house climate expertise and resource from the Climate Practice. The Climate Practice is heavily involved with a variety of initiatives, both in the investment industry as well as across other industries. For more detail, please see WTW's first ESG report referenced in question 29.
25	*Does your organization exercise voting rights as a shareholder on climate-related issues?*	No. Whether investments are implemented through third-party funds or directly held equities, we delegate stock selection and voting decisions to third party external asset managers. In turn, asset manager climate voting is an important area of scrutiny and engagement for us.
26	*Provide details of your shareholder voting record on climate-related issues.*	Given the scope of our solutions to clients and the wide range of our clients' portfolio and underlying holdings, it is not practical to detail the exercise of all ownership rights, including voting, conducted. Therefore, here we focus on the voting conducted in respect of our Irish-domiciled Global Equity Focus Fund (GEFF), a multi-manager, global equity strategy (also classified as Art 8 under EU SFDR). For this strategy, during 2022 approximately 45% of climate themed shareholder resolution votes were supported.
27	*Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?*	Yes, indirectly via membership in industry groups or associations – see question 24. EOS, as noted above, also engages with regulators.
28	*On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?*	As per our response to question 24, our work in 2022 focused on contributing to evolving industry practice via industry groups rather than directly engaging policymakers around climate regulations.
29	*Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places*	Climate change and greenhouse gas emission performance are promoted as environmental characteristics for the proprietary WTW SFDR Article 8 funds noted previously. At the parent company level, WTW's first ESG report is available here: https://www.wtwco.com/en-us/about-us/environmental-social-and-governance

	other than in your CDP response? If so, please attach the publication(s).	Alongside WTW's latest TCFD statement: https://www.wtwco.com/-/media/wtw/about-us/tcfd-disclosure-2022final.pdf?modified=20220603172637 Note: the first mandatory reporting cycle for the TCFD reporting per the UK Financial Conduct Authority for select WTW Investments entities is anticipated for June 2024. For more information, please see our UK Stewardship Code report.
30	*Indicate the collaborative frameworks, initiatives, and/or commitments related to environmental issues for which you are a signatory/member.*	Here is the list of organisations relevant to the 2022 period: • Investment Consultants Sustainability Working Group (ICSWG) • Coalition for Climate Resilient Investment (CCRI) • Net Zero Asset Managers Initiative (NZAMI) • Net Zero Investment Consultants Initiative (NZICI) • Glasgow Financial Alliance for Net Zero (GFANZ) • Principles for Responsible Investment (PRI) • Transition Pathway Initiative (TPI) • Institutional Investors Group on Climate Change (IIGCC) • Investor Group on Climate Change (Australasia) (IGCC) • Asia Investor Group on Climate Change (AIGCC) • ClimateWise • UK Transition Plan Taskforce (TPT)
31	*Does your organization measure its portfolio impact on the climate?*	Yes. See question 33.
32	*Provide details of your organization's portfolio emissions in the reporting year.*	See question 13 and question 14.
33	*Provide details of the other carbon footprinting and/or exposure metrics used to track the impact of your portfolio on the climate.*	To measure the impact of our portfolios on climate change, we measure metrics across decarbonization, alignment and mobilizing transition finance: • Total financed emissions and carbon footprint for the portfolio (see definitions below) • Percent of assets that are Paris agreement aligned. We draw on multiple lenses here, including Science Based Targets Initiative (SBTi), Transition Pathway Initiative, Climate Action 100+. • Exposure to climate solutions. This is aligned to IIGCC methodologies (see definitions below)
34	*Disclose or restate your portfolio emissions for previous years.*	Our initial stated baseline was 63 $tCO_2e/\$m$ in 2019. We have revised this to 89 $tCO_2/\$m$. Previously we were only able to estimate the carbon footprint of our UK client model allocation as at 2019 and this was used as a proxy

		for our global client base. Since the first submission, we have been able to estimate more representative and granular emissions data for each of the model allocations across different regions and client types within our global delegated client base. As a result we have recalculated the 2019 baseline and the new figure represents a weighted average calculation across the model portfolios representative of different regions and client types within our global business based on the $ AUM represented by each group. This number excludes exposures to sovereign debt and liability driven investments.
35	*Did your organization take any actions in the reporting year to align your portfolio with a 1.5°C world?*	In 2022, we continued to enhance our internal governance of our sustainable investing activities to meet the growing client and regulatory requirements by: • introducing a new Sustainability Regulations and Monitoring Committee. • updating our Sustainable Investing Policy, with expanded standalone Climate Policy. • forming a core team of c.10 FTE sustainability specialists covering content, communications, analytics, research, and climate. • participating in a network of SI champions representing all regions. • forming a centralized Climate Practice as a center for technical climate expertise. Our manager research team researched over 300 sustainability-themed strategies in total in 2022. Twelve of these were ultimately approved with our highest rating supporting significant allocations to climate related strategies in areas such as renewable infrastructure, climate high yield and forestry. In 2022, our manager research team also engaged with over 200 managers and over 600 products to encourage improvements on the topics of sustainability and stewardship. A large portion of these engagements were climate related. We believe this substantial emphasis on individual engagements, when taken as a whole, helps to drive industry improvements which contribute to making a Paris agreement aligned real world global temperature outcome (and hence portfolio outcome) more likely. We offer a wide range of investment solutions. Specific examples in relation to our Irish domiciled funds classified as Art 8 under EU SFDR (Towers Investment Management Limited as Investment Manager) are set out below: • Engagements with external managers on specific holdings that exhibited unfavorable characteristics, such as high carbon emissions, poor alignment in accordance with the sustainability indicators or poor MSCI ESG scores. • Engagements with investee companies on net zero/climate-related matters via the external asset managers and EOS. • Initial and ongoing sustainability due diligence on external mangers. We completed an annual Sustainable Investing review

		on external asset managers within the portfolio and continued assessment of the underlying factors through ongoing monitoring. Moreover, we engaged with several external asset managers on their allocations with a view to improving the sustainability credentials, including in relation to the net zero characteristic of the fund over time. In addition, see our response to question 24 which sets out our work with industry groups to support wider system transition on climate.
36	*Does your organization assess if your clients/investees' business strategies are aligned with a 1.5°C world?*	As noted above, as part of climate performance reporting we assess the percentage of investment portfolios that are Paris agreement aligned. To do this we apply the "alignment maturity scale" approach set out in the IIGCC's Net Zero Investment Framework that uses a range of indicators to assess whether an investee company or underlying asset is aligned, aligning, or not aligned with a 1.5°C scenario. WTW Investments does not assess the alignment of our clients' business strategies with a 1.5°C scenario. Although the wider WTW business offers services to clients in this area.

Metric calculation methodology and data sources

Financed emissions definition

Financed emissions are defined using the Partnership for Carbon Accounting Financials (PCAF) methodology. PCAF enables asset managers to attribute the proportion of an entity's GHG emissions to an investment or security. It provides detailed guidance on how to attribute emissions for the following types of underlying assets:

- Listed equity and corporate bonds
- Business loans and unlisted equity
- Project finance
- Commercial real estate
- Mortgages
- Motor vehicle loans
- Sovereign debt

The general approach to calculating total portfolio financed emissions is as follows:

1. Calculate the absolute emissions of the entity linked to each investment or security in the portfolio.
2. Calculate the attribution factor for each investment in the portfolio. PCAF's Global GHG Accounting and Reporting Standard proposes attribution factor calculation methods across different asset classes.

3. The financed emissions for each investment or security in the portfolio are then the absolute emissions multiplied by its attribution factor.
4. The total portfolio financed emissions are the sum of the financed emissions of the individual investments or securities in the portfolio, expressed in tCO_2e.

Carbon footprint (also referred to as carbon intensity) definition

The carbon footprint of an investment is defined as the financed emissions of each investment or security in the portfolio divided by the $ amount invested (which is proportion of NAV). This normalizes the emissions at the portfolio level by position size.

The general approach to calculating total portfolio carbon footprint is as follows:

1. Calculate the financed emissions for each investment or security in the portfolio.
2. The carbon footprint of each investment in the portfolio is then the financed emissions for each investment in the portfolio divided by the $ amount invested in each investment by the portfolio.
3. The total portfolio carbon footprint is the weighted average of the carbon footprint of each investment in the portfolio, expressed as tCO_2e/$m invested.

Financed emission and carbon footprint calculations

Where we have limited coverage, the emissions for the portion of the portfolio for which there is data is scaled to 100%. For example, if the financed emissions are 75 tCO_2e for 75% of the portfolio, the reported value will be 75/0.75 = 100 tCO_2e. Put another way, zero emissions are not assumed for parts of the portfolio with no data and this portion is proxied with the emissions profile of the part of the portfolio where data exists.

Reported portfolio emissions include Scope 1 and 2. Scope 3 emissions are excluded at this stage given the limited level of reported Scope 3 data from underlying issuers and in order to avoid double counting at the total portfolio level.

For derivatives gross notional exposures are included (represented as a proportion of NAV). Short positions are excluded.

Sovereign debt and liability driven investments are excluded from the calculation.

Climate solutions definition

The definition of climate solutions is based on the EU Taxonomy. The EU Taxonomy is a classification system which establishes a list of environmentally sustainable economic activities, based on the certain environmental objectives.

Assessing full EU Taxonomy alignment is complex and there are challenges due to the lack of suitable data available to assess alignment criteria. Therefore, a pragmatic approach has been taken to interpreting and implementing the requirements that are easily measurable and which can be applied across all asset classes.

To qualify as “environmentally sustainable” under the EU Taxonomy Regulation, an activity must:

1. Make a substantial contribution to one of six environmental objectives and meet relevant technical screening criteria (TSC). Our climate solutions methodology is focused on the first two objectives – Climate Change Adaptation and Climate Change Mitigation;
2. Do no significant harm (DNSH) to the other five environmental objectives and meet relevant TSC; and
3. Comply with minimum safeguards.

It is recognized that it can be difficult to meet the DNSH and minimum safeguards requirements due to lack of data coverage. Therefore, these criteria have been proxied in order to implement the climate solutions definition, based on currently available data and asset class-specific frameworks for assessing contribution to climate change objectives.

As is the case for carbon emissions and carbon footprint calculations, for derivatives only gross notional exposures are included (represented as a proportion of NAV) and short positions are excluded.

Where there is limited coverage, the climate solutions for the portion of the portfolio for which there is no data is not scaled to 100%.

Data sources and limitations

To derive the total portfolio figures that have been reported, metrics are calculated at the individual strategy level and then aggregated to the overall portfolio level.

Different approaches are followed to arrive at strategy level climate characteristics depending on the situation. These are described below.

Situation 1: Underlying issuer-specific climate data related to holdings in a strategy is available (this is the case for strategies investing in listed securities)

- Strategy-level holdings data is obtained from the relevant underlying external managers, custodians or index providers as appropriate.
- Issuer-level climate and fundamental data is sourced from MSCI and applied to the actual holdings data.

Situation 2: Issuer-specific climate data related to holdings in a strategy is not available but the external asset manager is able to provide emission and climate information related to the strategy as a whole

- Strategy level climate and fundamentals data is sourced from the underlying external manager (this is requested via a survey sent out on an annual basis)

In situation 2, the accuracy of the metrics is contingent upon each external asset manager's individual interpretation of the data request, including their understanding of the definitions of each metric provided.

Situation 3: Issuer-specific climate data related to holdings in a strategy is not available and the external asset manager is not able to provide emission and climate information related to the strategy as a whole

- Proxy portfolios of listed securities are derived based on the strategy's country/sector exposures. These proxy portfolios are used for calculating carbon emissions and footprint metrics calculations but not for climate solutions.
- Issuer-level climate and fundamental data is sourced from MSCI and applied to the proxy portfolios.

In situation 3, the accuracy of the metrics is contingent upon the extent to which the country/sector exposures provided and the resulting proxy portfolio is representative of the actual exposures in the strategy.

Asset class specific considerations are summarized below.

1. Listed equity and listed real assets

Portfolio holdings data is obtained from the relevant managers, custodians or index providers as appropriate. The same approach is used for listed real assets strategies, being invested in listed equity securities.

2. Credit

Holdings-level data is obtained from managers for listed/liquid corporate credit and sovereign bond strategies. For unlisted or intransparent strategies, strategy-level climate metrics results provided by underlying managers are used in the first instance. In cases where underlying managers have not provided the requested climate metrics, country/sector exposures are sourced from a combination of RiskMetrics and underlying managers. Further detail is provided below:

- Proxy portfolios based on country/sector exposures are used for private corporate debt and Collateralized Loan Obligations (CLOs) to calculate carbon emission and carbon footprint metrics when available. Exposure to climate solutions is determined at the strategy-level based on data provided by underlying managers.
- Sovereign debt strategies are excluded from the calculation of all metrics.
- Proxy portfolios based on country/sector exposures are used for securitized debt strategies (excluding CLOs) to calculate carbon emission and carbon footprint metrics when available. Exposure to climate solutions is determined at the strategy-level based on information provided by underlying managers.

3. Unlisted Real assets and Private Equity

For 2022 and 2021 figures, strategy-level data was obtained directly from underlying asset managers supplemented where necessary by country/sector allocations sourced from underlying asset managers from which proxy portfolios are derived. For 2019 figures calculations are all based on listed proxies.

Due to the nature of this asset class data is often lagged. The most recent data available is used when calculating year-end portfolio exposures and metrics.

4. Liquid diversifiers

Holdings data is obtained from underlying managers for long/short equity and merger arbitrage strategies, and country/sector net exposures are sourced from RiskMetrics to develop proxy portfolios for other strategies. As set out in the Net Zero Investment Framework, derivative exposures are separated out for the purpose of calculating carbon emissions metrics.

For reinsurance strategies, a proxy portfolio of listed reinsurance companies is used. For other strategies with no link to equity or corporate credit exposures (such as commodity derivatives and carbon allowances) a cash proxy is used.

Disclaimer

WTW has prepared this report in accordance with the reporting requirements of the Net Zero Asset Managers initiative (NZAMi) and, for the avoidance of doubt, should not be considered a regulatory disclosure. Furthermore, the material contained in this report has been prepared for general information purposes only and it should not be considered specific investment advice nor should it be construed as an offer or recommendation to subscribe for or purchase securities. In particular, its contents are not intended by WTW to be construed as the provision of investment, legal, accounting, tax or other professional advice or recommendations of any kind, or to form the basis of any decision to do or to refrain from doing anything. As such, the material contained in this submission should not be relied upon for investment or other financial decisions and no such decisions should be taken on the basis of its contents without seeking specific advice.

This report in no way constitutes an invitation to subscribe to any fund mentioned herein. Any reference to underlying funds within the respective portfolios is only for illustrative purposes. Opinions expressed herein may be changed without notice at any time.

This report addresses policies and strategies that WTW has adopted as an individual economic actor in a competitive market, independently of other asset managers.

The material contained in this report is based on information available to WTW at the date of this material or other date indicated and takes no account of developments after that date. In preparing this material, we have relied upon data supplied to us or our affiliates by certain third parties, as further detailed below. Whilst reasonable care has been taken to gauge the reliability of this data, we provide no guarantee as to the accuracy or completeness of this data and WTW and its affiliates and their respective directors, officers and employees accept no responsibility and will not be liable for any errors, omissions or misrepresentations by any third party in respect of such data.

Any assumptions, scenario analysis and metrics used in this report have been derived using a blend of economic theory, historical analysis and opinions provided by investment managers, and/or advisers. They inevitably contain an element of subjective judgement. Any opinions or return forecasts on asset classes contained in this material are not intended to imply, nor should they be interpreted as conveying, any form of guarantee or assurance regarding the future performance of the asset classes in question. No economic model can be expected to capture perfectly future uncertainty, particularly the risk of extreme events. We periodically review our interim targets and the scenarios on which they are based taking into account progress in the real world climate transition and developments in climate science.

We incorporate sustainable investment considerations, including sustainability risks, into our investment research, due diligence and manager assessments. We believe that sustainability risks and wider sustainability considerations can influence investment outcomes from a risk and return perspective. Where sustainability risks and other sustainability considerations are most likely to influence investment risk and return, we encourage and expect fund managers to have a demonstrable process in place that identifies and assesses material sustainability risks and the impact on their investment strategy and end portfolio.

We have included in this report ‘forward-looking statements’ within the meaning of Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934, which are intended to be covered by the safe harbors created by those laws. These forward-looking statements include information about possible or assumed future results of our operations. All statements, other than statements of historical facts, that address activities, events or developments that we expect or anticipate may occur in the future, including such things as our ability to achieve our environmental, social and governance goals, targets and commitments, are all forward-looking statements. Also, when we use words such as ‘may’, ‘will’, ‘would’, ‘anticipate’, ‘believe’, ‘estimate’, ‘expect’, ‘intend’, ‘plan’, ‘probably’, or similar expressions, we are making forward looking statements. Such statements are based upon the current beliefs and expectations of WTW’s management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. All forward-looking disclosures are speculative in nature.

Many of the goals, targets, commitments, impacts, policies, and programs described in this report are aspirational, and as such, no guarantees or promises are made that these will be met or successfully executed. WTW’s membership or support for certain ESG-related organizations or initiatives such as those described in this report may change or be withdrawn from time to time if WTW determines it is the organisation’s interest to do so. In addition, the policy statements discussed in this report are statements of general policy and procedures that apply to WTW’s businesses. It is possible that specific circumstances in our global operations may differ from those described.

Our approach to inclusion of disclosures in this report is different from disclosures included in mandatory regulatory reporting in various jurisdictions around the world.

A number of risks and uncertainties that could cause actual results to differ materially from the results reflected in these forward-looking statements are identified under ‘Risk Factors’ in Item 1A of Willis Towers Watson plc’s Annual Report on Form 10-K and subsequently filed reports. These statements are based on assumptions that may not come true and are subject to significant risks and uncertainties.

Although we believe that the assumptions underlying our forward looking statements are reasonable as of today’s date, any of these assumptions, and therefore also the forward-looking statements based on these assumptions, could themselves prove to be inaccurate. Given the significant uncertainties inherent in the forward-looking statements included in this submission, our inclusion of this information is not a representation or guarantee by us that our objectives and plans will be achieved.

This report and the forward-looking statements contained herein speak only as of the date made and we will not update this submission or these forward-looking statements unless the securities laws require us to do so.

With regard to these risks, uncertainties and assumptions, the forward looking events discussed in this report may not occur, and we caution you against unduly relying on these forward-looking statements.

This report includes certain non-financial data and information which is subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data.

The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.

Calculations and statistics included in this submission may be dependent on the use of estimates and assumptions based on historical levels and projections and are therefore subject to change. This report has not been externally assured or verified by an independent third party.

The inclusion of information or the absence of information in this report should not be construed to represent our belief regarding the materiality or financial impact of that information. For a discussion of information that is material to WTW, please see our filings with the United States Securities and Exchange Commission ("SEC"), including our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q.

The material contained in the report may incorporate information and data made available by certain third parties or derived from such third parties, including (but not limited to): Bloomberg L.P.; CRSP; MSCI; FactSet; FTSE; FTSE NAREIT; FTSE RAFI; Hedge Fund Research Inc.; ICE Benchmark Administration (LIBOR); JP Morgan; Markit Group Limited; Russell; and, Standard & Poor's Financial Services LLC (each a "Third Party"). Details of the disclaimers and/or attribution relating to each relevant Third Party can be found at this link https://www.wtwco.com/en-GB/Notices/index-vendordisclaimers

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This report was published as at December 12, 2023 and will be reviewed annually and updated accordingly.

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Willis Towers Watson is an Irish-incorporated insurance advisor company. WTW joined the Net Zero Asset Managers initiative in July 2021 and made its Initial Target Disclosure in November 2022.